

**MINUTES OF THE
COMMERCE AND WORKFORCE SERVICES
APPROPRIATIONS SUBCOMMITTEE**
Room 110, West Office Building, State Capitol Complex
January 29, 2007

MEMBERS PRESENT: Sen. Jon Greiner, Co-Chairman
Rep. Michael Morley, Co-Chairman
Sen. Mark Madsen
Sen. Ed Mayne
Sen. Wayne Niederhauser
Rep. Sylvia Andersen
Rep. Jim Dunnigan
Rep. Craig Frank
Rep. Lynn Hemingway
Rep. Mark Wheatley
Rep. Larry Wiley

STAFF PRESENT: Stan Eckersley, Fiscal Analyst
Karen Mitchell, Committee Secretary

Note: A list of handouts and visitors lists will be filed with committee minutes.

Co Chair Rep. Morley called the meeting to order at 2:10 p.m.

MOTION: Rep. Hemingway moved to approve the minutes of January 24, 2007. The motion passed unanimously. Sen. Mayne, Rep. Dunnigan, and Rep. Frank were absent for the vote.

Alcoholic Beverage Control provided the committee with a letter of non-state funded projects that were approved by the Capital Facilities and Government Operations Subcommittee.

Financial Institutions

Stan Eckersley, Fiscal Analyst, presented an overview of the Department of Financial Institutions which regulates state-chartered deposit taking institutions. It also regulates third-party payment providers, independent escrow companies, check cashers and payday lenders, and mortgage loan servicers operating in Utah.

The Analyst explained the HB 430, Department of Financial Institutions Pay Plan, 2006 General Session, passed after the appropriations bill had been prepared and submitted for review, thus the fiscal impact was not funded. The Analyst recommends \$16,200 from General Fund Restricted--Financial Institutions to fund the fiscal note.

The Analyst explained FY 2007 has one less working day than usual and he had subtracted this amount from all agencies when figuring compensation. The Governor had already taken the

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amount out of Financial Institutions base. The Analyst recommends \$13,600 in General fund Restricted-Financial Institutions to correct the error.

The Analyst discussed Wal-Mart's application for an Industrial Loan Corporation (ILC) charter. The Federal Deposit Insurance Corporation (FDIC) issued a six month moratorium on all applications.

Ed Leary, Commissioner of Financial Institutions, and Michael Jones, Chief Examiner Financial Institutions responded to questions from the committee.

Frank Pignanelli, Executive Director Utah Association of Financial Services, expressed appreciation and support of the Commission.

MOTION: Sen. Mayne moved to accept the budget recommendations of the Analyst. The motion passed unanimously with Rep. Dunnigan and Rep. Frank absent for the vote.

Labor Commission

The Analyst explained that the Utah Labor Commission serves the people by assuring safe, healthful, fair, non-discriminatory work environment; assuring fair housing practices; and promoting employee and employer general welfare without needless interference.

The Analyst explained that the Anti-Discrimination and Labor's staffing level has not changed since FY 2001 and the number of wage claims has increased by more than 43%. The program gets about 30,000 calls per year from the public requesting information on Utah's labor laws. The Analyst recommends \$55,800 from ongoing General Fund for an additional wage claim specialist.

The Analyst explained that the Anti-discrimination program needs to hire back one FTE and maintain a part-time contract position due to federal funding shortfall. This will reduce case backlog and investigate increasing complaints in a timely manner. The Analyst recommends \$100,000 in ongoing General Fund.

The Analyst reported that over 200 insurance carriers provide workers' compensation policies for Utah employers. Claims forms from carriers, employers and physicians are submitted to the commission and then entered manually into the computerized case management system. The commission would like to digitize Workers' Compensation claims and accident reports. The Analyst recommends \$96,000 in one-time General Fund to implement the program. Since this will take two year, the Analyst further recommends the following intent:

The Legislature intends that \$96,000 appropriated to digitize workers' compensation claims and accident reports shall not lapse.

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The Analyst recommends the following intent statement:

The Legislature intends the fees collected from sponsoring and holding seminars shall not lapse.

The Analyst recommends the following supplemental intent:

Under the terms of Section 63-38-8, 1 Utah Code Annotated, Item 60 of Chapter 1 and Item 55 of Chapter 366, this appropriation shall not lapse with expenditures of non-lapsed funds limited to the following: up to \$250,000 of Workplace Safety funds shall not lapse and shall be used for a study of Pain Medication Management and Education, \$250,000 of Workplace Safety funds for a study of law enforcement and firefighters occupational diseases, \$50,000 for computer equipment and software and \$15,000 for replacement of broken and out-dated furnishings.

Sherrie Hayashi, Commissioner Labor Commission and Louis Silva, Labor Commission UOSH answered questions and addressed concerns of the committee. A handout was provided.

MOTION: Sen. Mayne moved to accept the budget recommendations of the Analyst. The motion passed unanimously with Rep. Dunnigan and Rep. Hemingway absent for the vote.

MOTION: Rep. Frank moved to adjourn. The motion passed unanimously, with Rep. Dunnigan and Rep. Hemingway absent for the vote. Rep. Morley adjourned the meeting at 3:05 p.m.

Sen. Jon Greiner, Co-Chair

Rep. Michael Morley, Co-Chair